



September 2003

Supplemental Budget Request for 2003-05

Introduction

The state of Washington enacts biennial operating and capital budgets during each odd-numbered year. During even-numbered years, the Legislature can modify the two-year spending plan through a supplemental budget.

The state Office of Financial Management (OFM) has directed agencies to submit supplemental budget requests for the 2003-05 biennium by October 3, 2003. Because the state's revenue forecast was revised downward after the 2003-05 budget was signed into law, OFM has instructed agencies to limit their supplemental budget requests.

Specific guidelines advise agencies to:

- Address only vital and emergent issues,
- Correct technical problems in the enacted budget, or
- Deal with shortfalls or changes in mandatory caseload or workload.

The 2003-05 supplemental budget changes proposed by the Higher Education Coordinating Board (HECB) are intended to address only technical problems.

Board Action Requested

The Board is requested to adopt the following HECB draft 2003-05 supplemental budget request. The HECB has limited its request to technical corrections only. With Board adoption, these proposals will be refined and drafted to meet OFM submittal requirements by October 3, 2003.

HECB 2003-05 SUPPLEMENTAL BUDGET REQUEST

Technical Corrections

Health insurance increases **\$113,000**

The 2003 Legislature approved an increase in state agency funding to pay for increases in the cost of employee health insurance. Funds to meet the higher costs were allocated to state agencies in one of two ways in the 2003-05 operating budget: for higher education institutions, funds were allocated within their appropriations and, for general government agencies, the increases were appropriated to OFM for distribution to the agencies.

The HECB was inadvertently excluded from both methodologies.

	Fiscal Year 2004	Fiscal Year 2005	Total
Coordination and Policy (010)			
General Fund – State	\$ 6,000	\$30,000	\$ 36,000
General Fund – Federal	1,000	6,000	7,000
Financial Aid and Grants (FGR)			
General Fund – State	11,000	52,000	63,000
General Fund – Federal	1,000	6,000	7,000
HECB Total	\$19,000	\$94,000	\$113,000

Correction of FTE enrollments included in high-demand allocations **\$0**

The 2003-05 operating budget allocated \$8.2 million to the HECB to conduct a competitive process to expand student enrollments in high-demand fields over the next two years. The budget language authorized an overall increase of 500 FTE – 246 in the first year and 254 in the second year.

When the Board allocated the enrollments on July 30, it was able to serve more FTE within the budgeted level than were authorized in the budget bill. Funding approved by the Board will allow the four-year institutions to serve 247 FTE in the first year of the biennium and 279 in the second year. The HECB seeks a technical adjustment in the 2003-05 supplemental budget to authorize the increase of one FTE in the first year and 25 FTE in the second year.

RESOLUTION NO. 03-27

WHEREAS, The Legislature enacts annual revisions to the state's biennial budget known as supplemental budgets; and

WHEREAS, The Office of Financial Management (OFM) has directed public agencies to limit supplemental budget requests to vital and emergent issues, correcting technical problems in the enacted budget or dealing with shortfalls or changes in mandatory caseload or workload; and

WHEREAS, The Board is mindful of the fiscal constraints of the current biennium and must set forth critical needs of the programs it administers to the Governor and the Legislature; and

WHEREAS, OFM has directed public agencies to submit supplemental budget requests for the 2003-05 biennium by October 3, 2003;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the supplemental budget request for increases in health insurance costs and corrections to high-demand FTE enrollments, and directs staff to refine and redraft the request to accommodate OFM submittal requirements by October 3, 2003.

Adopted:

September 24, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary